

REMARKS

The Final Office Action mailed on October 9, 2008 (the "Final Office Action") has been carefully reviewed. Reconsideration of this application, in view of the remarks, is respectfully requested.

FINAL ACTION

Applicants respectfully assert the Examiner has made an improper final rejection in this Final Office Action. In the final rejection, the Examiner has for the first time substantively introduced the Nichols reference. The Nichols reference is listed for the first time on the PTO-892 in the Final Office Action to support the supposition of common knowledge. In the previous Office Action, the Examiner included the reference as a footnote without any explanation discussion or reference to a specific page out of the total of number pages found in Nichols. Finally, the Examiner did not include Nichols on the list of references cited by the Examiner.

In the Final Office Action, the Examiner claims Official Notice was provided to Applicants in the previous Office Action to support the Examiner's position in the Final Office Action. Applicants respectfully and strongly disagree with this position. For the reasons discussed below, the Applicants assert that the Examiner has made an improper Final rejection. Applicants request the withdrawal of the Final Office Action.

OFFICIAL NOTICE

On page 16 of the Final Office Action discussing the secondary reference, the Examiner indicated that he had made an Official Notice and that the Applicants "have not challenged this w[e]ll known process[] [and] therefore ha[ve] accepted the Official Notice" The Examiner referenced page 3 of Paper # 20080326. Unfortunately, Applicants are unfamiliar with any

Paper # 20080326. However, Applicants believe the Examiner meant to state the Office Action mailed on March 31, 2008 where a footnote was inserted into the text of the rejection on page 3.

Referring to the footnote in the March 31, 2008 rejection, Applicants respectfully assert the Examiner failed to satisfy the requirements set forth in the MPEP for establishing Official Notice. Even if a footnote were to qualify as an Official Notice, Applicants respectfully assert that the Examiner's footnote failed to meet the minimum requirements for an Official Notice as called for by the MPEP and by 37 C.F.R §1.104(d)(2).

MPEP § 2144.03.B, requires the Examiner to present the Applicants "with the explicit basis on which the Examiner regards the matter as subject to official notice so as to adequately traverse the rejection in the next reply after the Office action in which the common knowledge statement was made."

In the previous office action, the Examiner did not provide the Applicants with an indicator or explicit reference that the Examiner was taking Official Notice. Instead, in the middle of a summary on the rejection, to which Applicants properly traversed, the Examiner inserted an oblique footnote without any explanation. The oblique reference identified an entire book without providing any explicit reference within the book. Therefore, the Applicants were not afforded the opportunity to adequately traverse the unidentified, non-explicit Official Notice. Moreover, through numerous pages of responses, Applicants have repeatedly shown the Examiner's continued reference to "common knowledge" to be incorrect. In view of the failure of the Examiner to list the reference on Form PTO-892 coupled with the lack of a specific citation within the reference, the Applicant concluded that the reference was merely an additional consideration.

The foot note to the newly cited reference is found inside a parenthetical explanation of parallel processes in the text justifying the combination of two references for a 35 U.S.C. § 103(a) rejection. *See Office Action Mailed 03/31/2008, page 3.* Therefore, Applicants respectfully assert a proper case for Official Notice was not made as required by *In re Soli*, 317 F.2d 941, 946, 137 USPQ 797, 800 (CCPA 1963), *See also, In re Chevenard*, 139 F.2d 711, 713, 60 USPQ 239, 241 (CCPA 1943). Thus, Applicants respectfully traverse the Official Notice, and request the rescission of the improper Official Notice.

Summary of the Amendments

Applicants have amended claim 23. Support for the amendment is found in Applicants' FIG. 1 and in the claims as filed. Applicants have cancelled claims 1, 7-12, 16, 17, 22 and 24.

Summary of the Rejection of the Claims

In the Office Action, the Examiner rejected claims 1-7, 18-22 and 24 under 35 U.S.C. § 103(a) as being unpatentable over Buchanan et al., U.S. Publication No. 2005/0021466 (hereinafter "Buchanan") in view of Kern, U.S. Patent No. 5,221,830 (hereinafter "Kern").

Claims 11-17 and 23 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Buchanan in view of Green et al., U.S. Patent No. 5,602,936 (hereinafter "Green") and Kern.

Claims 8-10 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Buchanan and Kern as applied to claim 7 above, and in further view of Green.

The Applicants respectfully traverse these rejections, and in view of the following arguments, request reconsideration and withdrawal thereof.

Rejection of the Claims Under 35 U.S.C. § 103(a)

Buchanan In View of Kern

Applicants respectfully traverse the Examiner's rejection of claims 1-7, 18-22 and 24 as being unpatentable over Buchanan in view of Kern. As shown below, neither Buchanan nor Kern disclose a "real time" or "concurrent" communication through the image exchange network. However, in an effort to move this application towards a successful allowance, Applicants have cancelled claims 1, 7, 22 and 24.

Buchanan and Kern "Real-Time" Discussion

Applicants reiterate their previous arguments regarding the teachings of Buchanan and Kern regarding the issue of "real-time." Applicants note that the Examiner recognizes that "Buchanan does not explicitly disclose "real time" as defined by the applicant in communication 9/20/2007." Applicants defined "real time" in the 9/20/07 communication as:

The term "real time," as used in this inventive method, means the concurrent or simultaneous exchange of electronic or digital information between two or more computers/servers. Further, as used herein, "real time" exchange of electronic or digital information takes place without a requirement for the sequential back and forth passing of information between a first financial institution and a second financial institution.

The Examiner's rejection of independent claims 1, 2, 3, 7, 18, 22 and 24 relies upon the combination of Kern with Buchanan. The Examiner considers the combination to provide a "real time" or "concurrent" transmission, communication or exchange of a digital image and/or a digital data record with a second site. (Office Action, para. 3, re: claims 1, 2, 3, 7, 18, 22 and 24). Applicants respectfully disagree and traverse the Examiner's rejection.

The Applicants submit that the Examiner has failed to make a *prima facie* case of obviousness in the rejection. In making a 35 U.S.C. § 103(a) rejection, the Examiner is required

to present a *prima facie* case of obviousness in accordance with the rules outlined by the U.S. Supreme Court in both *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 82 USPQ2d 1385 (2007) and *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966). In making a *prima facie* case of obviousness, it is incumbent upon the Examiner to establish a factual basis to support the legal conclusion of obviousness. In so doing, the Examiner is expected to make a factual determination employing the criterion set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 17, 148 USPQ 459, 467 (1966), viz., (1) the scope and content of the prior art; (2) the differences between the prior art, and the claims at issue; and (3) the level of ordinary skill in the art. In addition to these factual determinations, the Examiner must also provide "some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir 2006) (cited with approval in *KSR* at 1741, 82 USPQ2d at 1396 (2007)). Further, a rejection based on 35 U.S.C. § 103 must rest upon a factual basis rather than conjecture or speculation. "Where the legal conclusion [of obviousness] is not supported by the facts, it cannot stand." *In re Warner*, 379 F.2d 1011, 1017 (CCPA 1967). See also *In re Lee*, 277 F.3d 1338, 1344 (Fed. Cir. 2002) and *Kahn*, 441 F.3d at 988.

Buchanan's failure to disclose, teach or suggest a "real time" or "concurrent" system has been established and agreed to by both the Examiner and Applicants. Thus, Buchanan does not satisfy the first *Graham* factor related to scope and content. Applicants will show below that Kern also fails to disclose, teach or suggest a "real time" or "concurrent" system as claimed, and thus, also fail, to satisfy the first *Graham* factor.

Kern teaches the real time storage of a scanned image on a single computer and magnetic/optical disk system(Kern, col. 10, lines 3-10). Kern does not teach or suggest the

claimed "real time" or "concurrent" sharing of a digital image with a second financial institution or image exchange server. The scope and content of Kern is limited to a single computer with a scanner and storage device, where the scanned image is copied to the storage device. (Kern, col. 10, lines 6-14).

Kern's single computer and storage system is not designed to support a "real time" or "concurrent" sharing of a digital image with a second financial institution or image exchange server. Comparatively, Applicants claim a "real time" or "concurrent" system which is defined as the "concurrent or simultaneous exchange of electronic or digital information between two or more computers/servers." (Applicants, claims 2, 3, and 18; amended para. 6). In view of the differences between the prior art and the pending claims Kern fails to satisfy the first *Graham* factor. Therefore, the combination of Buchanan and Kern also fails to satisfy the first *Graham* factor related to scope and content.

Regarding the second *Graham* factor related to the difference between art and claims, the combination of Buchanan and Kern does not overcome the limitations raised in the foregoing arguments regarding the first *Graham* factor related to scope and content. Those arguments are not repeated again for brevity. Thus, for the reasons stated above, the second *Graham* factor is not satisfied, since Buchanan, in combination with Kern is different from Applicants' claimed invention.

Evaluating Kern's disclosure in detail again, Kern provides a single computer system with real time (concurrent) transmission relating only to the document processor 32. Kern's document processor 32 provides for "capturing, processing, and compressing images in real time." Following the capture and compression step, Kern transfers those same images to the storage and retrieval unit 40 across the optical network 41. (Kern, col. 10, lines 3-14). Kern expressly

discloses that the images "are available for sending to the workstations 50 a very short time after they have been captured by the document processor 32." Thus, Kern does not disclose a "real time" or "concurrent" system, as defined and claimed by Applicants. Rather, Kern provides a sequential system of capture/compression followed shortly with transmission.

The combination of Kern with Buchanan fails to teach or suggest Applicants' claimed invention. Kern and Buchanan both fail to teach or suggest "real time" or "concurrent" sharing of a digital image with a second financial institution or image exchange server. Kern's optical network 41 may be remote, but as discussed above, it expressly teaches a single storage location for later retrieval. Therefore, since neither Buchanan nor Kern provide a "real time" process the facts do not support an obviousness rejection of independent claims 2, 3 and 18 over Buchanan, in combination with Kern. Additionally, Applicants respectfully submit that at least two of the three *Graham* factors are not satisfied by the combination of Buchanan and Kern.

Finally, the Examiner states that "it would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosures of Buchanan and Kern to achieve a higher efficiency during processing [of] document[s], image[s], or etc." (emphasis added). Applicants do not claim "a higher efficiency during processing [of] document[s], image[s], or etc." Instead, Applicants claim a "real time" or "concurrent" communication of an image. Applicants do not disclose or claim any efficiency elements within the claimed invention. Additionally, Applicants respectfully assert that "real time" is inherently more efficient.

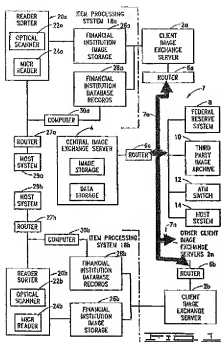
Claim Discussion

Regarding claim 2, the Examiner provides no "articulated reasoning with some rational underpinning to support the legal conclusion of obviousness" to justify the rejection of claim 2.

The Examiner cited Buchanan's paragraphs 37, 38, and 62, where he indicated that "Buchanan discloses substantially the disclosed invention (see background of invention and summary), within a variable group of financial institutions (maker bank)." Applicants respectfully traverse the rejection.

The Examiner assumes that Buchanan's maker bank is a "variable group of financial institutions." Yet, Buchanan does not teach or suggest that the maker bank is anything more than a single node on a three-step system. *See Buchanan FIG. 1, Paras. 37, 38, 39 and 62.* Buchanan requires a bank of first deposit (the first step) to send the physical financial instrument to a central site (the second step). *Id.* From the central site, the financial instrument is scanned and electronically forwarded to the maker bank (the third step). *Id.*

Applicants' FIG. 1 and Buchanan's FIG. 1 are shown below to demonstrate how Buchanan teaches away from Applicants' claimed invention. Unlike Buchanan, Applicants send the electronic copy of the financial instrument to a variable group of financial institutions. *See Applicants' claim 1 and FIG. 1.* For example, a first financial institution can receive a financial instrument, and due to the information associated with that financial instrument, send it in real time to a variable group of institutions. Applicants' FIG. 1 shows variable financial institutions such as the Federal Reserve, a second through "n" financial institutions, and/or a third party archive. The Examiner does not cite Kern as providing for the shortcomings of Buchanan, and a review of Kern fails to provide any reference to a "variable group of financial institutions."



Applicants' FIG. 1

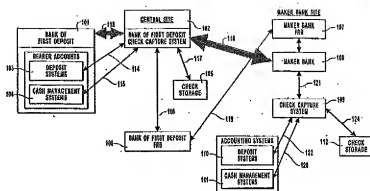


FIG. 1

Buchanan's FIG. 1

Regarding the Examiner's reference that Buchanan captures "at respective sites digital images and digital data records for financial instruments processed at the respective sites (para. 37-38; 62)," the Applicants respectfully refer the Examiner to Buchanan's paragraph 37 and FIG. 1. Buchanan expressly requires sending a hard copy of a financial instrument to a central facility where it is then processed. Specifically, Buchanan indicates that the "bank of first deposit 101 actually forwards, in step 113, the physical check(s) to a central site 102 for additional physical processing of the actual check." *See Buchanan para. 37*. Buchanan goes on to indicate that the "physical check is processed at central site 102 using a reader/sorter (not separately shown, but included in 102) to acquire information such as the information stored on the Magnetic Ink Character Recognition (MICR) line." *Id.* Buchanan also indicates this "information includes the maker bank number, the account number, a check serial number, etc." *Id.*

In Buchanan's paragraph 38, Buchanan expounds upon the process described in paragraph 37. In paragraph 38, Buchanan discloses that if the bank of first deposit and the maker bank have a cooperative agreement, the financial instrument may be sent directly from the bank of first deposit to the maker bank. *See Buchanan para. 37.* In such a situation, Buchanan goes on to disclose that "once the check is received by maker bank 108, the check is processed in step 121 through the maker bank's check capture system 109." *Id.*

In Buchanan's paragraph 62, the process is referring to a remote site, central site and a maker site. Buchanan's remote site scans/reads the financial instrument before sending it electronically to a central site where it is validated, and sent back to the remote site and to the maker bank. To assume there are variable locations requires a leap in disclosed logic, and is a conclusory statement.

Thus, it is clear that Buchanan does not contemplate a variable group of financial institutions electronically exchanging the financial instruments captured at the respective sites as digital images and digital data records since the respective sites are exchanging an actual physical check/financial instrument.

Regarding the rejection of claims 3 and 18, the Examiner provides no "articulated reasoning with some rational underpinning to support the legal conclusion of obviousness" to justify the rejection of claim 3. Rather, with reference to paragraphs 41-43 and 50 of Buchanan, the Examiner makes the conclusory statement that "Buchanan discloses substantially the disclosed invention (see background of invention and summary), within a variable group of financial institutions (maker bank)." Applicants respectfully traverse the rejection.

In the rejection, it appears the Examiner fails to understand the scanner capability disclosed in Buchanan's paragraph 43 and assumes that the scanner is capable of sharing raw

data with another financial institution. Buchanan's paragraph 50 clearly shows that Buchanan teaches away from sharing raw data. As described by Buchanan in paragraph 50, when remote site processor 201 monitors scanner/reader/printer 309 to determine when information is complete and ready for transmission via interface/media 202. At this point in time, remote processor 201 formats the electronic image data and the MICR encoding and adds any additional control information in preparation for transmission to central site processor 203. Therefore, Buchanan teaches away from transmitting image signals and raw data signals between financial institutions. Instead, Buchanan expressly teaches transmitting only processed information. As such, Buchanan does not teach Applicant's claimed invention.

The Examiner also referred to Buchanan's paragraphs 89, 98, 12-14, 17-18, 29 and 66-67 in the rejection of claim 3. These paragraphs do not reference the transmission of image signals and raw data signals between financial institutions. For completeness, Applicants address each of these paragraphs below:

- In paragraph 89, Buchanan discloses storing image data for retrieval via the internet. Paragraph 89 does not refer to raw data.
- In paragraph 98, Buchanan discloses sending the check/financial instrument image to the Federal Reserve for later use. Paragraph 98 does not mention raw data.
- In paragraph 12, Buchanan discloses capturing the image of a check/financial instrument and then validating the information prior to transmitting that data to another financial institution. This action requires the raw data be processed and transmitted. Thus, there is no reference in Buchanan's paragraph 12 about transmitting raw data.

- In paragraph 13, Buchanan discloses validating the data at the first financial institution by pre-loading endorsement, voiding, and item numbering information on the remote site (first financial institution) processor. Again, paragraph 13 does not describe transmission of raw data.
- Paragraph 14 discloses a similar arrangement as paragraph 13, except the information is stored at a central site instead of at the first financial institution. Paragraph 14 does not describe transmitting raw data from a first financial institution through an image exchange server to a second financial institution.
- In paragraph 17, Buchanan discloses encryption and security measures to protect the data at each level. Paragraph 17 does not describe the transmission of raw data.
- In paragraph 18, Buchanan discloses sharing the images of checks/financial instruments through a variety of combinations. However, paragraph 18 describes the transmission of raw data.
- In paragraph 29, Buchanan discloses the type of media that may be used in Buchanan's invention. Paragraph 29 does not mention transmitting raw data from a first financial institution through an image exchange server to a second financial institution.
- In paragraph 66, Buchanan discloses receiving and editing image data at the central site. Paragraph 66 does not describe transmitting raw data from a first financial institution through an image exchange server to a second financial institution.
- In paragraph 67, Buchanan discloses storing the image and processed data for the check/financial instrument at the central site. All communication is between the

remote (first) financial institution and the central site. Paragraph 67 does not describe transmitting raw data from a first financial institution through an image exchange server to a second financial institution.

Thus, it is clear that Buchanan not only fails to disclose transmitting raw data from a first financial institution through an image exchange server to a second financial institution, but actually teaches away from doing so in paragraph 50. Furthermore, the Kern disclosure fails to provide for the deficiencies of Buchanan.

Regarding claims 4-6 and 19-21, Applicants respectfully assert that these dependent claims further limit what is believed to an allowable independent claim. Additionally, all of these dependent claims relate to the sharing of raw data that is not disclosed in either Buchanan or Kern. Thus, in view of the foregoing arguments, the Applicants respectfully submit that independent claims 2, 3 and 18 are in a condition for allowance, as well as the claims that depend therefrom. Therefore, the Applicants respectfully request the reconsideration and withdrawal of the rejection of pending claims 2-6 and 18-21 under 35 U.S.C. § 103(a) as being unpatentable over Buchanan in view of Kern.

Buchanan In View of Green and Kern

Applicants respectfully traverse the Examiner's rejection of claims 11-17 and 23 as being unpatentable over Buchanan in view of Green and Kern. The arguments above regarding Kern are incorporated herein. However, in an effort to advance this application, Applicants have cancelled claims 11, 12, 16 and 17.

In the Office Action, the Examiner cites Green as having an image exchange server and Kern as providing a "real time" or "concurrent" capability. Applicants discuss above the failings of Buchanan and Kern to teach or suggest a "real time" or "concurrent" process or system.

Green also fails to teach or suggest a “real time” or “concurrent” transmission, communication or exchange of digital image and/or digital data record with a second site. Applicants respectfully re-assert that Buchanan in view of Green and Kern fails to disclose, teach or suggest an image exchange server having a “real time” or “concurrent” process or system as claimed and previously addressed in prior Office Actions responses. Thus, Applicants respectfully assert that the *prima facie* case of obviousness has not been met.

Regarding claim 13, Applicants respectfully assert that neither Buchanan nor Kern disclose the ability to transmit raw data as discussed above. Further, Green does not disclose the sharing of raw data with a second financial institution. Instead, Green discloses a device and system to capture and process a financial instrument so that it may be electronically visible at a later date to the bank or the customer. *See Green Col. 1, lines 13-20.*

Regarding claim 23, in the discussion concerning claim 2, the applicants noted that neither Buchanan nor Kern disclose a plurality of financial institutions sharing data. Further, Green fails to disclose a plurality of financial institutions sharing data. However, in an effort to further this application, Applicants have amended claim 23 to further refine plurality. Applicants respectfully request examination of the amendment to claim 23.

Clearly, Green and Kern fail to provide for a "real time" or "concurrent" processes as defined by Applicants. Further, Buchanan, Kern and Green fail to disclose the sharing of raw data, and to provide the sharing of data between a plurality of financial institutions. Thus, Applicants respectfully submit that independent claims 13 and 23, and the claims that depend therefrom, are in a condition for allowance. Therefore, Applicants respectfully request the reconsideration and withdrawal of the rejection of pending claims 13-15 and 23 under 35 U.S.C. § 103(a) as being unpatentable over Buchanan in view of Green and Kern.

Buchanan and Kern In View of Green

Applicants have cancelled claims 8-10. Thus, the rejection of claims 8-10 over Buchanan and Kern in view of Green is moot.

In view of these arguments, Applicants believe claims 2-6, 13-15, 18-21 and 23 are in a condition for allowance. Thus, Applicants respectfully request reconsideration and withdrawal of the rejection of pending claims 2-6, 13-15, 18-21 and 23 under 35 U.S.C. § 103(a).


Conclusion

In view of the foregoing arguments, Applicants submit that the Examiner's rejection of claims 2-6, 13-15, 18-21 and 23 should be withdrawn, and respectfully request the allowance of claims 2-6, 13-15, 18-21 and 23.

This is intended to be a complete response to the Final Office Action mailed on October 9, 2008.

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Date

Respectfully submitted,


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